

Minutes of the Personnel Committee

Tuesday, May 3, 2005

Chair Paulson called the meeting to order at 1:00 p.m.

Present: Supervisors Duane Paulson (Chair), Tom Bullermann, Bob Thelen, Bonnie Morris, Genia Bruce, and Rob Hutton. Jeff Morris arrived at 1:15 p.m.

Also Present: Legislative Policy Advisor Mark Mader, Chief of Staff Lee Esler, Accounting Services Manager Larry Dahl, Citizen Terry Tesch, Administration Director Norm Cummings, and Employee Benefits Administrator Pete Hans.

Approve Minutes of 3-1-05

MOTION: Bullermann moved, second by Bruce to approve the minutes of March 1st. Motion carried 6-0.

Schedule Next Meeting Dates

May 17th

Chair's Executive Committee Report of 5-2-05

Paulson advised of the following items discussed at the last Executive Committee meeting.

- State legislators Scott Jensen, Mary Lazich, and Scott Fitzgerald were present to discuss various issues including another potential Taxpayer's Bill of Rights (TABOR) or tax freeze, the state budget, mandates, significant pending legislation, etc.
- Approved the appointment of Supervisor Bonnie Morris to the Lower Genesee Lake Management District.
- The Public Works Committee is reviewing a possible by-pass around Waukesha.

Health Insurance Update: 2004 Results, Self-Insurance Fund Status, Health Savings Account (HSA) Review of Viable Alternatives During 2005

Hans distributed copies of "Waukesha County Point-of-Service Health Plan – Loss Ratio History" (1999 to 2004), "Waukesha County Point-of-Service Plan Claim Reserve" (2004 and 2005), "Summary of Key Health Insurance Changes" (1999 to July 2005), Point-of-Service Health Plan Premium Increases and CompCare HMO Premium Increases" (1999 to 2005), and Health Plan Enrollment (March 2005)."

Cummings said last year's changes in the health insurance plans for employees and retirees are beginning to pay off for the County. The trend of higher costs for the County began in 1999. At one time, our external auditor warned the County that reserves were too high so the County did not increase accordingly. Cummings said in 2000 our reserves were virtually wiped out when we needed \$2.3 million to cover increases. At that time, \$3.25 million was borrowed from the general fund to the health insurance fund whereby a seven-year payback plan was established. Cummings said he believes the worst is over and the plan changes seem to be working. Last year we had \$1 million more than costs. However, they are still paying out year-end 2004 claims so this figure is subject to change.

Cummings said changes were made last year to the retirees health insurance plan otherwise we would have seen a 55% increase. Prior to the changes, the County Board approved budgeting \$500,000 in fund balance in order to subsidize it for one year until the new plan was in place. Cummings said only \$125,000 was needed. By the end of this year, Cummings believes there will be about \$1 million over what is minimally needed in the reserves. He would like to pay back \$1 million of the \$3.25 million next year.

J. Morris arrived at 1:15 p.m.

Hans gave history of key health insurance changes since 1999. The employee premium cost sharing formula was increased from 5% to 10% for bargaining unit employees in 1999 and for non-represented employees in 2000. In 2000, the County's reserves were being depleted. The key driver in this was the retiree health insurance plan so their health plan benefit design was modified by increasing drug and office co-payments. Other changes followed for each of the plans and in 2004 Hans said we began to see positive results due to the new plan designs. In January of 2005, additional changes were made to the retiree health insurance plan and the County subsidy was eliminated. Staff expect to see more positive results.

Hans said they are currently evaluating its options under the new Medicare Part D prescription drug benefit for the retiree health insurance program. As with changes in prior years, the retirees will be involved in this decision making process. Staff are also evaluating the feasibility of offering a High Deductible Health Plan and a Health Savings Account as an alternative to the existing active employees health plan(s).

Hans advised that in July of 2005, a fourth tier (\$100 co-pay) for high cost, biotech medications will be implemented for non-represented employees.

Hans went on to review health insurance premiums from 1999 to the present. In 1999, the Point-of-Service premium for a single plan was \$199.74 and in 2005 it was \$440.33. The CompCare premiums were similar: \$249.06 in 1999 and \$529.81 in 2005. As of March 2005, Hans said 353 active employees were in the Point-of-Service single plan and 696 were in the Point-of-Service family plan. Currently, the monthly premium for the Point-of-Service family plan is \$1,166.64. There were 78 active employees in the CompCare HMO single plan and 127 in the CompCare HMO family plan. The monthly premium for the single plan is \$529.81 and the family plan is \$1,377.49. There are a total of 254 retirees in the retiree health plan which has varied monthly premiums depending on the plan of choice, ranging from \$111 to \$1,380.

Under the active Point-of-Service employee health plan, Hans said there is currently an exclusion for disposable medical supplies. The plan will cover items such as catheters if it's for a colostomy. While catheters are necessary for a colostomy, Hans said there are other medical conditions in which they are medically necessary and therefore should be covered. Hans said they would like to change the plan design to cover, specifically, catheters. This is not a high cost item which runs under \$200 a month. Hans said these are medically necessary because they prevent urinary tract infections, incontinence, etc. which would result in higher health care costs. Cummings noted this would not affect a big population and currently there is just one employee affected by this exclusion. Hans said provisions will be made including that they must be

medically necessary and they must be prescribed by a physician so it's not abused, although staff doesn't believe this would be an issue. Hans noted that CompCare does not have this exclusion.

Announcements

It was agreed that Personnel Committee members would be notified of committee meeting cancellations via e-mail.

Closed Session

MOTION: Bruce moved, second by J. Morris to go into closed session at 2:15 p.m. in accordance with Section 19.85 (1)(e) Wis. Stats. for the purpose of discussing collective bargaining issues, and to approve the closed session minutes of previous meeting(s). Motion carried 7-0.

MOTION: Bruce moved, second by Thelen to return to open session at 3:44 p.m. Motion carried 7-0.

MOTION: J. Morris moved, second by Bullermann to adjourn at 3:44 p.m. Motion carried 7-0.

Recorded by Mary Pedersen, Legislative Associate, County Board Office.

Respectfully submitted,

Bonnie J. Morris
Secretary